

Utah Medicaid

FRV, Rates, QIs...

Utah Health Care Association, Spring Conference
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Presented by:

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Bureau of Coverage & Reimbursement Policy

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Quality Improvement Incentives

State Fiscal Year
2008 - **REMINDER**

SFY08 Quality Incentive 1

- Same requirements of SFY07 plus the following:
 - Culture Change
 - 25% weighting
 - Plan for Culture Change
 - Implementation of Culture Change
- Total payout of \$1,000,000
- Due on or before June 8, 2008

SFY08 Quality Incentive 2

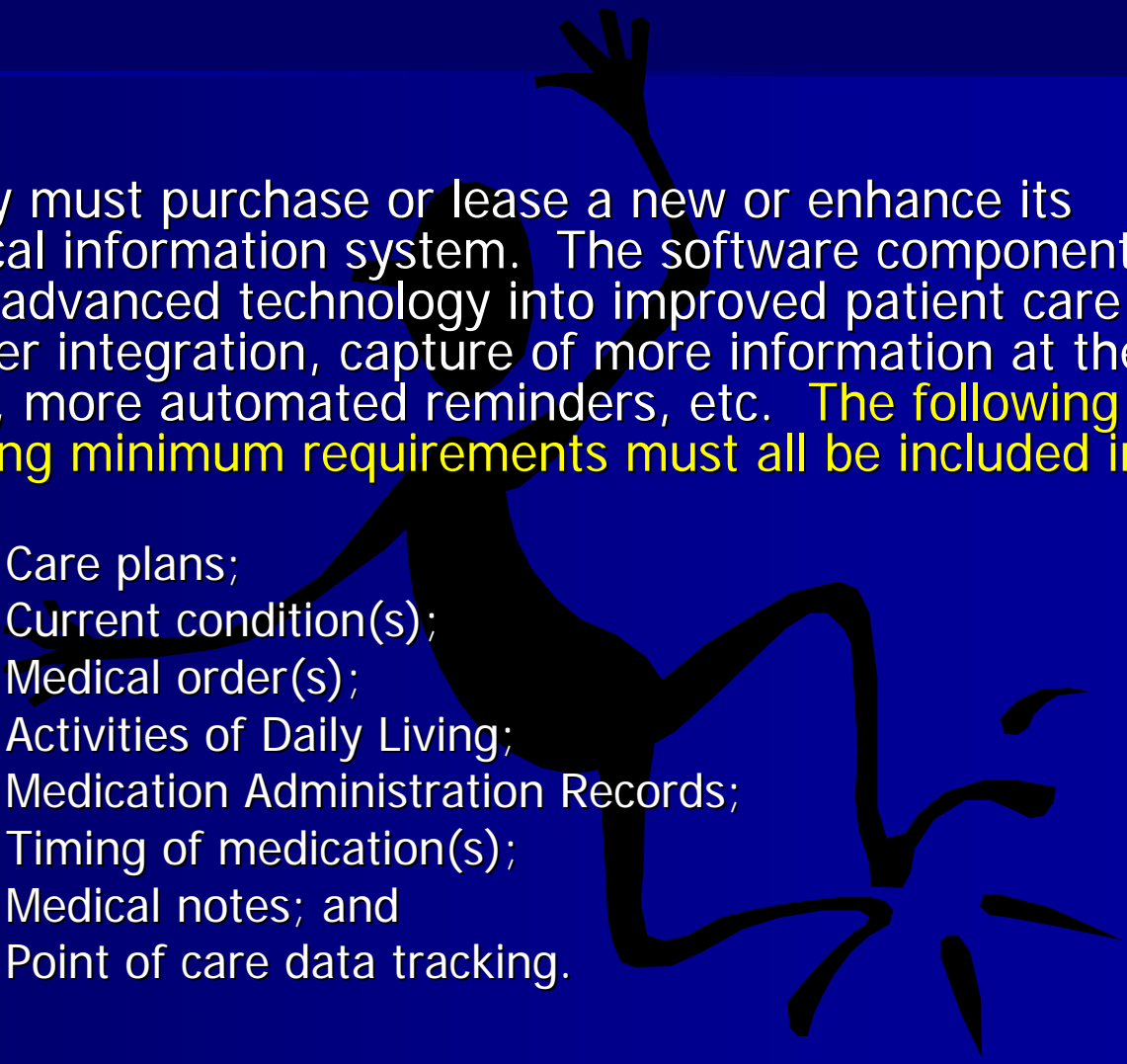
- Incentive to purchase or enhance clinical info systems which incorporate advanced technology into improved client care (i.e., better integration, capture more information at the point of care, more automated reminders...)
- Software – Up to \$108.02 per Medicaid Certified Bed
- Hardware – Up to \$90 per Medicaid Certified Bed

SFY08 Quality Incentive 2

(Cont.)

Software:

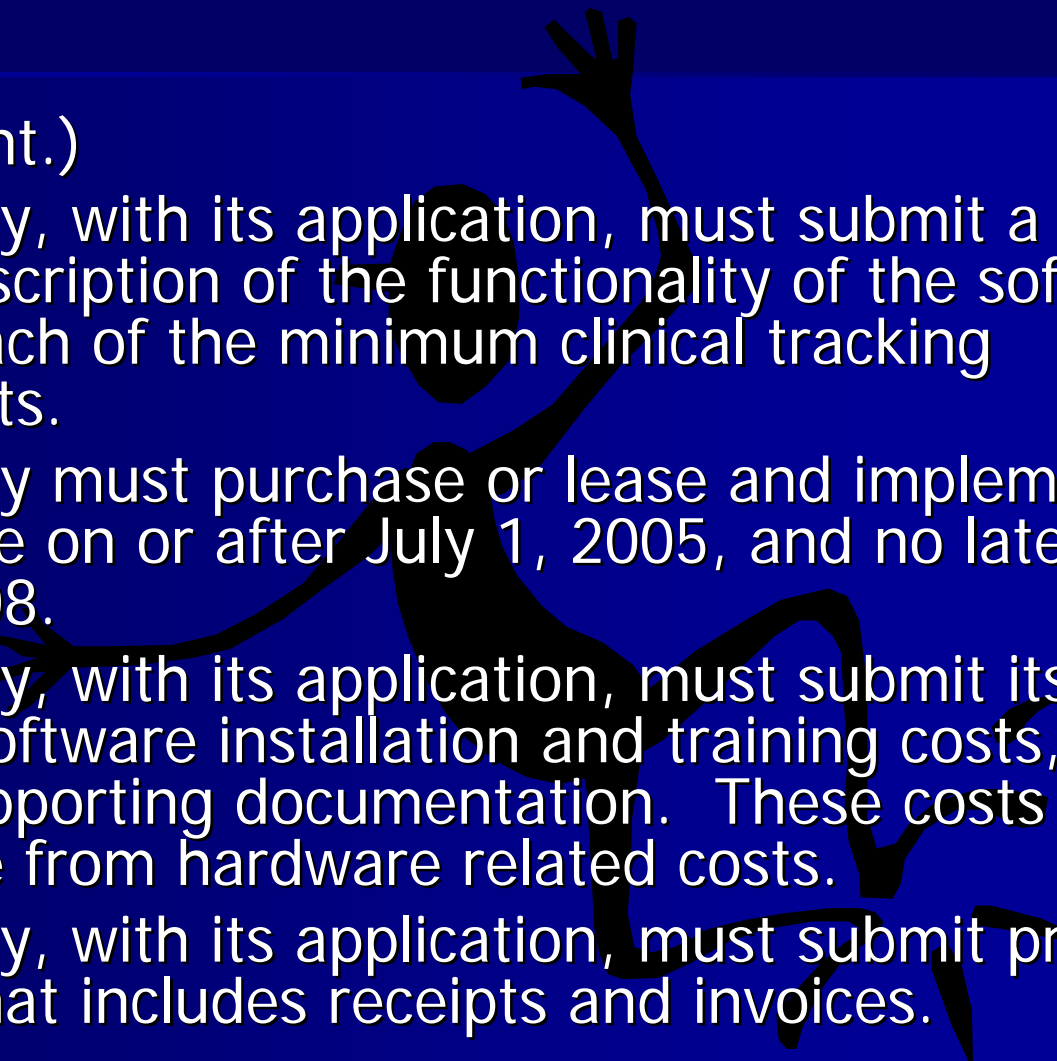
- (A) A facility must purchase or lease a new or enhance its existing clinical information system. The software component incorporates advanced technology into improved patient care that includes better integration, capture of more information at the point of care, more automated reminders, etc. **The following clinical tracking minimum requirements must all be included in the software:**
 - (I) Care plans;
 - (II) Current condition(s);
 - (III) Medical order(s);
 - (IV) Activities of Daily Living;
 - (V) Medication Administration Records;
 - (VI) Timing of medication(s);
 - (VII) Medical notes; and
 - (VIII) Point of care data tracking.



SFY08 Quality Incentive 2

(Cont.)

Software: (cont.)

- (B) A facility, with its application, must submit a detailed description of the functionality of the software, denoting each of the minimum clinical tracking requirements.
 - (C) A facility must purchase or lease and implement the software on or after July 1, 2005, and no later than June 8, 2008.
 - (D) A facility, with its application, must submit its software, software installation and training costs, and detailed supporting documentation. These costs must be separate from hardware related costs.
 - (E) A facility, with its application, must submit proof of purchase that includes receipts and invoices.
- 
- A black silhouette of a person is positioned in the center-right of the slide. The person appears to be in mid-air, with their arms and legs spread out, suggesting a jump or a fall. The silhouette is superimposed over the list of requirements.

SFY08 Quality Incentive 2

(Cont.)

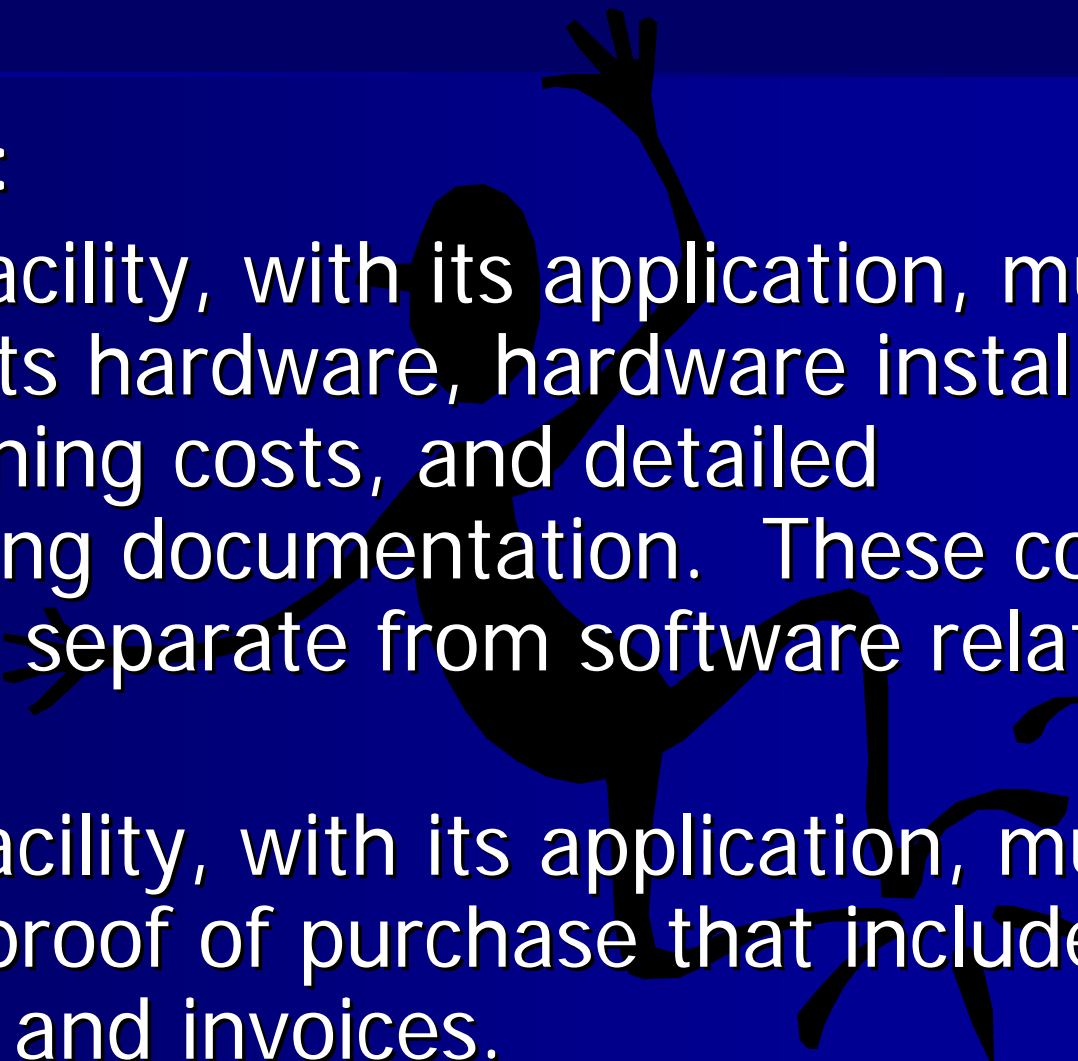
Hardware:

- (A) The purchase or lease of hardware must facilitate the tracking of patient care and integrate the collection of data into the facility's clinical information system software.
- (B) A facility, with its application, must submit a detailed description of the functionality of the hardware and its integration with the clinical information system software.
- (C) A facility must purchase or lease and implement the hardware on or after July 1, 2005.

SFY08 Quality Incentive 2

(Cont.)

Hardware:

- (D) A facility, with its application, must submit its hardware, hardware installation and training costs, and detailed supporting documentation. These costs must be separate from software related costs.
 - (E) A facility, with its application, must submit proof of purchase that includes receipts and invoices.
- 
- A black silhouette of a person in a dynamic, falling or jumping pose, positioned behind the text on the right side of the slide. The person's arms are outstretched, and their legs are bent, suggesting movement.

SFY08 Quality Incentive 2

(Cont.)

Software and Hardware:

- (iii) A facility must qualify for the software incentive and the hardware incentive separately. Thus, a facility must provide separate supporting documentation for each incentive component.
- (iv) The Department must receive the application form and all supporting documentation no later than June 8, 2008, for consideration under this incentive. Failure to include all required supporting documentation precludes a facility from qualification.

SFY08 Quality Incentive 3

HVAC Improvements:

- Incentive for facilities to improve their heating, ventilating, and air conditioning systems. Qualifying Medicaid providers may receive up to \$162 for each Medicaid certified bed. The Medicaid certified bed count used for each facility for this incentive is the count as of July 1, 2007. Qualifying criteria are as follows:
 - (i) A facility must purchase a new or enhance its existing heating, ventilating, and air conditioning system (HVAC).



SFY08 Quality Incentive 3

HVAC Improvements: (cont.)

- (ii) A facility, with its application, must submit a detailed description of the change.
- (iii) The HVAC system must be purchased and installed on or after July 1, 2005.
- (iv) A facility, with its application, must submit proof of purchase that includes receipts and invoices.



SFY08 Quality Incentive 3

HVAC Improvements: (cont.)

- (v) The Department must receive the application form and all supporting documentation no later than June 8, 2008, for consideration under this incentive. Failure to include all required supporting documentation precludes a facility from qualification.



SFY08 Quality Incentive 4

Dining Improvements:

- Incentive for facilities to use innovative means to improve the residents' dining experience.
- Qualifying Medicaid providers may receive up to \$111 for each Medicaid certified bed.
 - The Medicaid certified bed count used for each facility for this incentive is the count as of July 1, 2007.
- Qualifying criteria are as follows:

SFY08 Quality Incentive 4

Dining Improvements: (cont.)

- (i) A facility must implement changes to its dining program to improve the resident's dining experience. These changes may include meal ordering, dining times or hours, atmosphere, more food choices, etc.



SFY08 Quality Incentive 4

Dining Improvements: (cont.)

- (ii) A facility, with its application, must submit a detailed description of the changes.
- (iii) The changes to the dining program must be made on or after July 1, 2006. A facility must submit invoices or similar documentation to show the date of purchase or implementation.

SFY08 Quality Incentive 4

Dining Improvements: (cont.)

- (iv) A facility, with its application, must submit invoices, receipts, or other documentation, to show proof of payment for the **incremental** costs that resulted from the dining program changes.

SFY08 Quality Incentive 4

Dining Improvements: (cont.)

- (v) The Department must receive the application form and all supporting documentation no later than June 8, 2008, for consideration under this incentive. Failure to include all required supporting documentation precludes a facility from qualification.

SFY08 Quality Incentives

- There is no need to wait until the deadline to submit your applications for the new QI programs.
- Applications and any additional or missing documentation will not be accepted after the deadline.
- No Facility may receive incentive payments in excess of documented costs.

SFY08 Quality Incentives

Question:

If you are not pursuing
these programs, why not?

(If you are not comfortable discussing now,
please see me after. **I really want to know!**)

Quality Improvement Incentives

State Fiscal Year
2009 - **Proposed**

Disclaimer

Proposed QI
programs are
pending CMS
approval.

SFY09 Quality Incentive 1

- Same requirements of SFY08 plus the following:
 - Employee satisfaction program
 - Could include employee “satisfaction” surveys, tuition reimbursement, gym memberships, exit interviews, employee assistance program, incentive/bonus structure, etc.
- Payout dollars remain at \$1,000,000
- Due on or before June 8, 2009

SFY09 Quality Incentive 2

■ Patient Lifts

- The facility has purchased a patient lift system with the date of purchase on or after July 1, 2007.
- Normal duty lifts must be capable of lifting patients weighing up to 450 pounds.
- Heavy duty lifts must be capable of lifting patients weighing up to 1,000 pounds.
- Must purchase at least one of each or two heavy duty to qualify.

■ Due on or before June 8, 2009



SFY09 Quality Incentive 3

■ Patient Bathing System

- The facility has purchased a bathing system with the date of purchase on or after July 1, 2007.
- The Bathing System must have a **side-entry** door that allows the patient to enter the bath without having to step over or be lifted into the bathing area.

■ Due on or before June 8, 2009



SFY09 Quality Incentive 4

■ Nurse Call System

- The facility has purchased or upgraded their nurse call system with the date of purchase on or after July 1, 2006.
- The nurse call system must be compliant with approved *Guidelines for Design and Construction of Health Care Facilities*.

SFY09 Quality Incentive 4

■ Nurse Call System (cont.)

- The emergency call system shall be designed so that a call activated by a resident will initiate a signal distinct from the regular staff call system and that can be turned off only at the resident's location.

SFY09 Quality Incentive 4

■ Nurse Call System (cont.)

- The signal shall activate an annunciator panel or screen at the staff work area or other appropriate location, and either a visual signal in the corridor at the resident's door or other appropriate location, or staff pager indicating the calling resident's name and/or room location, and at other areas as defined by the functional program.

SFY09 Quality Incentive 4

■ Nurse Call System (cont.)

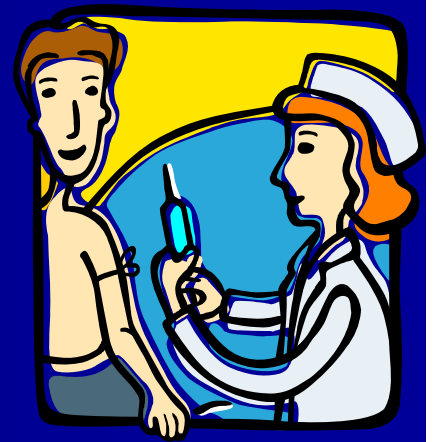
- The nurse call system does not **primarily** use overhead paging; rather a different type of paging system is used.
 - The paging system could involve pagers, cell phones, PDA devices, hand-held radio, etc.
 - If radio frequency systems are used, consideration should be given to electromagnetic compatibility between internal and external sources.

SFY09 Quality Incentive 4

■ Nurse Call System (cont.)

- The nurse call system must be capable of tracking and reporting response times (e.g. the length of time from the initiation of the call to the time a nurse enters the room and answers the call).

■ Due on or before June 8, 2009



Did I mention...

Proposed QI
programs are
pending CMS
approval.

SFY09

Quality Incentive 2-4

- **Potential payout per Medicaid Certified bed (still being finalized):**
 - Patient Lifts – up to \$90
 - Patient Bathing Systems – up to \$110
 - Nurse Call System – up to \$390
 - No Facility may receive incentive payments in excess of documented costs.

SFY09

Quality Incentive 2-4

Watch the website for updates.

<http://health.utah.gov/medicaid/stplan/longtermcare.htm>

Did I mention...

Those amounts
have **not** been
finalized.

Legislative Update

H.B. 366

H.B. 445

H.B. 366 - Moratorium

- Medicaid Certified facilities may not expand bed capacity unless approved by the director (Michael Hales) in accordance with UCA 26-18-503(5) relating to under-served need.
- Facilities choosing to expand bed capacity outside the above **risk losing** their Medicaid certification.

H.B. 366 - Moratorium

Did I mention...

- Facilities choosing to expand bed capacity outside UCA 26-18-503(5) **risk losing** their Medicaid certification.

H.B. 366 – FRV Related

- No recognition of bed banking
- Changes in minimum occupancy used:
 - Urban at 85% (Cache, Weber, Davis, Salt Lake, Utah, and Washington counties)
 - Rural at 65% (All other counties)
- Update of RS Means (bed value) only for facilities having completed and reported qualifying Addition, Replacement, or Major Renovation project(s).

H.B. 445

- Permits a Medicaid certified facility to "sell" a license for a Medicaid certified bed to another entity
- Establishes criteria for the transfer of a license
- Sets a conversion factor (0.7) on "sold" licenses
- Transferred beds may be used in an existing or a new facility
- Exception to Medicaid moratorium

Rate Rebasing Methodology

Still fine-tuning specifics, but
here's a preview of what may
happen...

Rate Rebasing (cont.)

- Nursing Component
 - Cost Ceiling set at 70th Percentile
 - Case Mix adjustment factor
 - $\text{Total CMI} \div \text{Medicaid CMI} = \text{factor}$
 - E.g. $1.0026 \div .9038 = .9015$
 - Example:
 $\$58.58 \text{ PPD} \times .9015 = \52.81
If less than 70th%ile, then \$52.81.
If above 70th%ile, then 70th%ile.

Rate Rebasing (cont.)

- Dietary Component

- Cost Ceiling set at 60th Percentile

- Example:

- \$12.59 PPD

- If less than 60th%ile, then \$12.59.

- If above 60th%ile, then 60th%ile.

Rate Rebasing (cont.)

- Other Component

- Cost Ceiling set at 50th Percentile
- Efficiency Incentive of 25%

- Example:

\$49.84 PPD

If less than 50th%ile, then \$49.84 + 25% of difference to 50th%ile.

If above 50th%ile, then 50th%ile.

Rate Rebasing (cont.)

- Fair Rental Value
 - Calculated according to methodology
- Overall Rate
 - Nursing calc +
 - Dietary calc +
 - Other calc +
 - FRV +
 - Inflation factor

Facility Cost Profile Report

Audits, etc.

FCP Reports

- Detail audits by a third party are completed for the SFY07 FCP reports

Thanks!!!

- Your cooperation and assistance is greatly appreciated.

FCP Reports

- Items to watch in future FCP reports, because we sure will:
 - Home office costs
 - Reporting period
 - Allocation method
 - Classification of expenses
 - Related-party transactions
 - Management Services are not home office costs

FCP Reports

- Items to watch in future FCP reports ,
because we sure will (cont.):
 - Accounting basis / cut-off
 - Insufficient cut-off procedures
 - Improper classification of expenses
 - Inconsistent / improper use of capitalization policies

FCP Reports

- Items to watch in future FCP reports, **because we sure will** (cont.):
 - Depreciation expense
 - Incorrect useful lives – should be consistent with American Hospital Association's *Estimated Useful Lives of Depreciable Hospital Assets*
 - Assets expensed rather than capitalized and depreciated
 - Patient day assessment reporting issues

FCP Reports

- Items to watch in future FCP reports, **because we sure will** (cont.):
 - Property cost reporting must be correct even though an FRV methodology is used
 - Related-party transactions
 - Disclosure – 43 facilities made additional disclosure during audits
 - Rent – record actual costs
 - Supporting documentation for RP services

FCP Reports

- Unofficial recommendation:
 - Use your FCP preparer to:
 - provide expert advice
 - provide a “smell test” (do the numbers seem correct)
 - provide more than just a “consolidation” of expenses

Case

Mix

Minimum Data Set
Data

Case Mix

- **MDS data must be correct!!!**

- The rates depend on it!

- If you find errors, or we point them out to you, you have 7 days to correct the issue.
- How do I know if I have issues?
 - Read the "Initial Validation Report"
 - Read the "Final Validation Report"
 - Request a "Case Mix Detail Report"

Case Mix Detail Report

- Why is this report valuable?
 - Identify issues with:
 - Resident Medicaid ID
 - Social Security Number
 - Medicare Code Qualifier
 - Historical timing of the records (i.e., is there a discharge without a re-entry or an admission record, etc.)
 - Inaccurate data is harmful to the rate setting process.
 - Payments may be withheld.

Case Mix Detail Report

- How to request the report:
 - Submit a request,
 - on your facility's letterhead,
 - to John Curless
 - **using the template provided** on the CRP Bureau's website



<http://health.utah.gov/medicaid/stplan/longtermcare.htm>

Medicaid A-Z

Programs

Provider

Clients

Questions?

Español

Reimbursement Unit

Randy K. Baker, Reimbursement Unit Manager

Long-Term Care Resources

For questions, contact

[John Curless](#)
801-538-9937

Nursing Facility:

NEW [Utah Medicaid Nursing Facility Rates](#) - Rates for Utah Nursing Facilities for the period 4/1/2007 through 6/30/2007.
([click here for historical rates](#))

[Add-On Rate History](#) - Listing of all Nursing Home add-on rates since 7/1/2004

[Case Mix Preview Report](#) - Nursing homes may request a preview report of the MDS data used in upcoming quarter's case mix portion of the rate. This section outlines how to request the report for your facility.



Case Mix Detail Report

- “Case Mix Preview Report”
 - You should submit this letter, as directed on the website, **at least** two months prior to the next rate effective date.
 - Pay attention to the details
 - Facility Medicaid ID
 - Address
 - **Request period**
 - Secondary recipients



Case Mix Detail Report

- “Case Mix Preview Destroyed Report”
 - You must submit this letter, as directed on the website, within 60 days of the report date. Failure to do so will preclude you from receiving future reports.
 - **Don't wait for or count on a reminder.**
 - When you send this letter, send in your request for the next quarter's report. (When the data is available, the report will be sent out.)
 - Make sure you list the correct CRP number!!!

Case Mix Detail Report Benefits

- See, by resident, all assessment records for the past ~8 months
- Identify **some** errors
 - SSN
 - Medicaid ID
 - Timing of assessment data
- **Validate the Division's calculation of your case mix, by resident, by record**

MDS Data Elements to Watch

- AA7 - Medicaid Number
 - In Utah, this should be **10-digits**
 - If pending, then **+**
 - Pending Medicaid records are no longer used in the case mix calculation.
 - “N” if not Medicaid or Pending Medicaid
 - **NEVER leave blank.**

- AA5A – Social Security Number
 - 9-digits

Note on MDS Question AA8b

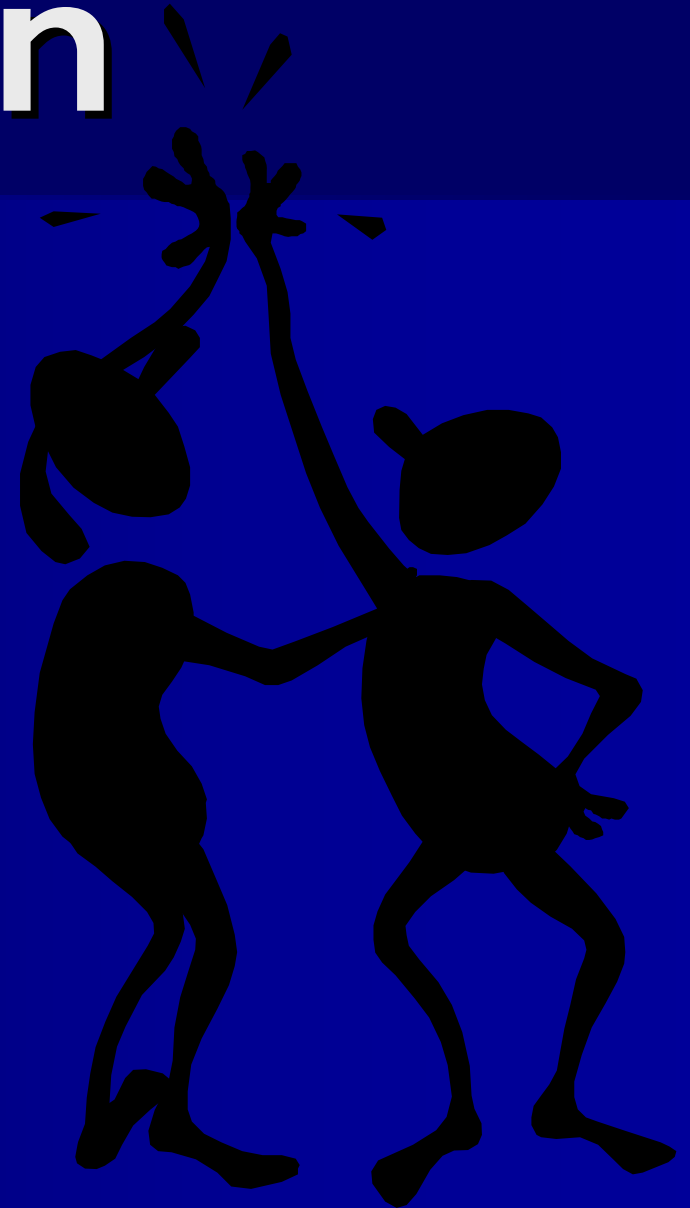
- All assessment codes are Medicare except "6" - Other State required assessment (currently "6" is not used)
- No value in this field would indicate a non-Medicare assessment
- The combination of a 10-digit Medicaid ID in AA7 **and** "6" or no value for AA8b indicates a Medicaid assessment

Case Mix Calculation Timing

- DHCF's MDS Data – Our data table is refreshed each Monday.
- If you have corrections to make, be sure to get them in **before** our data is refreshed for use in setting rates.

Conclusion

(Hooray!!!)



Summary

- There's a lot of stuff going on.
- We should all take it easy on John.
- Dirk should bear the brunt of **all** our frustrations.
- Seriously:
 - Don't forget the QI programs!!! Submit complete applications in a timely manner.
 - I'll miss working directly with all of you.

Questions?

John Curless
Director,
Bureau of Coverage
and Reimbursement Policy
jcurless@utah.gov

